State of Arizona House of Representatives Forty-sixth Legislature First Regular Session 2003

CHAPTER 217

HOUSE BILL 2292

AN ACT

AMENDING SECTIONS 28-6304, 28-6305, 28-6308, 28-6353, 28-6354, 28-6356 AND 48-5103, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-5106; RELATING TO TRANSPORTATION; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

- i ·

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 28-6304, Arizona Revised Statutes, is amended to read:

28-6304. Bond account; expenditures

- A. The state treasurer shall:
- 1. Hold monies in the bond account in trust for the owners of the bonds.
- 2. Pay monies in the bond account to the county, to paying agents or to the owners of the bonds directly in accordance with a resolution of the board authorizing the issuance of the bonds.
 - B. Monies in the bond account may be used:
- 1. To pay bond related expenses or recurring expenses pertaining to administration and payment of the bonds.
 - 2. For funding reserves for the payment of the bonds.
- 3. For payment of fees, charges and expenses incurred with respect to bond related obligations.
- C. Monies in the bond proceeds account may be obligated or spent as directed by the board for the:
 - 1. Payment of all bond related expenses.
- 2. Establishment and funding of reserve monies or to pay interest on bonds during the expected period of construction.
- 3. Payment of fees, charges and expenses incurred with respect to bond related obligations.
- 4. Design, right-of-way purchase or construction of controlled access highways that are included in the regional transportation plan of the county and that are accepted into the state highway system either as a state route or as a state highway or related grade separations of controlled access highways that are included in the regional transportation plan of the county.
- 5. DESIGN, RIGHT-OF-WAY PURCHASE OR CONSTRUCTION OF MAJOR ARTERIAL STREETS AND HIGHWAYS THAT ARE INCLUDED IN THE REGIONAL TRANSPORTATION PLAN OF THE COUNTY. FOR THE PURPOSES OF THIS PARAGRAPH, "MAJOR ARTERIAL" MEANS AN INTERCONNECTED THOROUGHFARE WHOSE PRIMARY FUNCTION IS TO LINK AREAS IN THE REGION AND TO DISTRIBUTE TRAFFIC TO AND FROM CONTROLLED ACCESS HIGHWAYS, GENERALLY OF REGIONWIDE SIGNIFICANCE AND OF VARYING CAPACITY DEPENDING ON THE TRAVEL DEMAND FOR THE SPECIFIC DIRECTION AND ADJACENT LAND USES.
- 5. 6. Design and construction of interim roadways within the adopted corridors of the regional transportation plan of the county pursuant to section 28-6309.
- 6. 7. Right-of-way costs associated with the construction of interim roadways pursuant to section 28-6310.
 - 7. 8. Payment of principal and interest on the bonds.

- 1 -

Sec. 2. Section 28-6305, Arizona Revised Statutes, is amended to read: 28-6305. Construction account: expenditures: construction contracts

- A. Except as provided in subsection B of this section, monies in the construction account of the regional area road fund shall be spent, pledged or accumulated for the purposes provided in section 28-6304, subsection C, paragraph PARAGRAPHS 4 AND 5, including payment of interest on and repayment of bonds and obligations issued pursuant to chapter 21 of this title if the proceeds of the bonds or obligations are used for the purposes provided in section 28-6304, subsection C, paragraph 4.
- B. Of the monies deposited in the construction account of the regional area road fund under section 28-6303, the state treasurer shall:
- 1. In each fiscal year, DIVIDE AND EQUALLY distribute five million dollars to:
- (a) The public transportation fund established in that county under section 48-5103.
- (b) THE REGIONAL PLANNING AGENCY IN THAT COUNTY FOR PLANNING AND ADMINISTRATION OF THE REGIONAL TRANSPORTATION PLAN APPROVED PURSUANT TO SECTION 28-6308. THE STATE TREASURER SHALL DISTRIBUTE MONIES UNDER THIS SUBDIVISION THROUGH THE DEPARTMENT ON OR BEFORE JUNE 30 OF EACH YEAR.
- 2. Beginning with fiscal year 1987-1988, adjust the monies distributed under paragraph 1 by the annual percentage change for the previous calendar year in the GDP price deflator as defined in section 41-563.
- C. The monies distributed under subsection B of this section shall only be spent for the purposes prescribed in section 48-5141 PLANNING AND ADMINISTRATION OF THE REGIONAL TRANSPORTATION PLAN APPROVED PURSUANT TO SECTION 28-6308. BEFORE THE BEGINNING OF EACH FISCAL YEAR, THE RESPECTIVE GOVERNING BODIES OF THE MEMBERS OF THE REGIONAL PLANNING AGENCY AND THE BOARD OF DIRECTORS OF THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY SHALL EXPLICITLY IDENTIFY AND APPROVE IN THE ANNUAL BUDGETS THE MONIES TO BE SPENT UNDER SUBSECTION B OF THIS SECTION FOR THE PURPOSES ALLOWED UNDER THIS SUBSECTION. THESE EXPENDITURES ARE SUBJECT TO THE ANNUAL AUDIT OF THE GOVERNING BODIES' FINANCIAL TRANSACTIONS.
- D. The director may enter into construction contracts or contracts incidental to construction contracts payable from monies in either the bond proceeds account or the construction account or both the bond proceeds and construction accounts.
 - Sec. 3. Section 28-6308, Arizona Revised Statutes, is amended to read: 28-6308. Regional planning agency transportation policy committee; regional transportation plan; plan review process

A. Through their regional planning agency, the county, cities and towns in the county shall list transportation corridors by priority in the regional transportation plan.

- 2 -

· 11

- A. THE REGIONAL PLANNING AGENCY IN THE COUNTY SHALL ESTABLISH A TRANSPORTATION POLICY COMMITTEE CONSISTING OF MEMBERS OF THE REGIONAL PLANNING AGENCY AND REPRESENTATIVES OF THE PRIVATE SECTOR.
- B. THROUGH THE REGIONAL PLANNING AGENCY, THE TRANSPORTATION POLICY COMMITTEE SHALL:
- 1. BY A MAJORITY VOTE OF THE MEMBERS, RECOMMEND APPROVAL OF A TWENTY YEAR COMPREHENSIVE, PERFORMANCE BASED, MULTIMODAL AND COORDINATED REGIONAL TRANSPORTATION PLAN IN THE COUNTY, INCLUDING TRANSPORTATION CORRIDORS BY PRIORITY AND A SCHEDULE INDICATING THE DATES THAT CONSTRUCTION WILL COMMENCE FOR PROJECTS CONTAINED IN THE PLAN.
- 2. DEVELOP THE PLAN IN COOPERATION WITH THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY AND THE DEPARTMENT OF TRANSPORTATION AND IN CONSULTATION WITH THE COUNTY BOARD OF SUPERVISORS, INDIAN COMMUNITIES AND CITIES AND TOWNS IN THE COUNTY.
- 3. SUBMIT THE PLAN FOR REVIEW BY THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE STATE BOARD OF TRANSPORTATION, THE COUNTY BOARD OF SUPERVISORS, INDIAN COMMUNITIES AND CITIES AND TOWNS IN THE COUNTY AT THE ALTERNATIVES STAGE OF THE PLAN AND THE FINAL DRAFT STAGE OF THE PLAN. AFTER REVIEWING THE PLAN, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY IN THE COUNTY, THE COUNTY BOARD OF SUPERVISORS AND THE STATE BOARD OF TRANSPORTATION SHALL, BY MAJORITY VOTE OF THE MEMBERS OF EACH ENTITY WITHIN THIRTY DAYS AFTER RECEIVING THE PLAN, SUBMIT A WRITTEN RECOMMENDATION TO THE TRANSPORTATION POLICY COMMITTEE THAT THE PLAN BE APPROVED, MODIFIED OR DISAPPROVED. WITHIN THIRTY DAYS AFTER RECEIVING THE PLAN, INDIAN COMMUNITIES AND CITIES AND TOWNS IN THE COUNTY MAY SUBMIT A WRITTEN RECOMMENDATION TO THE TRANSPORTATION POLICY COMMITTEE THAT THE PLAN BE APPROVED, MODIFIED OR DISAPPROVED.
- 4. CONSIDER PLAN MODIFICATIONS PROPOSED BY ANY OF THE ENTITIES AS PRESCRIBED IN PARAGRAPH 3 OF THIS SUBSECTION.
- 5. BY MAJORITY VOTE, APPROVE, DISAPPROVE OR FURTHER MODIFY EACH PROPOSED PLAN MODIFICATION.
- 6. PROVIDE A WRITTEN RESPONSE TO THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY, THE STATE BOARD OF TRANSPORTATION, THE COUNTY BOARD OF SUPERVISORS AND THE ENTITY THAT SUBMITTED THE PROPOSED MODIFICATION WITHIN THIRTY DAYS AFTER THE VOTE ON THE PROPOSED MODIFICATION EXPLAINING THE AFFIRMATION, REJECTION OR FURTHER MODIFICATION OF EACH PROPOSED MODIFICATION.
- 7. RECOMMEND THE PLAN TO THE REGIONAL PLANNING AGENCY FOR APPROVAL FOR AN AIR QUALITY CONFORMITY ANALYSIS NO LATER THAN SEPTEMBER 30, 2003.
 - B. C. The regional transportation plan:
- 1. May SHALL also provide a suggested construction schedule for the transportation corridors PROJECTS contained in the plan.
- C. The regional transportation plan May be annually updated to introduce new controlled access highways, and related grade separations AND TRANSPORTATION PROJECTS or to modify the existing plan.

- 3 -

- 3. SHALL BE DEVELOPED TO MEET FEDERAL AIR QUALITY REQUIREMENTS ESTABLISHED FOR THE REGION IN WHICH IT IS LOCATED.
 - Sec. 4. Section 28-6353, Arizona Revised Statutes, is amended to read: 28-6353. Regional freeway system changes
- A. The regional planning agency in the county shall approve any change in the priorities of the corridors or corridor segments in the regional freeway system REGIONAL TRANSPORTATION PLAN AND THE PROJECTS FUNDED PURSUANT TO SECTION 42-6104 THAT AFFECT THE PLANNING AGENCY'S TRANSPORTATION IMPROVEMENT PROGRAM, INCLUDING PROJECT PRIORITIES.
- B. Requests for changes to facilities in the regional freeway system TRANSPORTATION PROJECTS FUNDED PURSUANT TO SECTION 42-6104 that would materially increase costs shall be submitted to the regional planning agency for approval and submitted by the regional planning agency to the board for approval.
- C. If a local authority requests an enhancement to the regional freeway system A TRANSPORTATION PROJECT FUNDED PURSUANT TO SECTION 42-6104, the local authority shall pay all costs associated with the enhancement.
 - Sec. 5. Section 28-6354, Arizona Revised Statutes, is amended to read: 28-6354. <u>Annual report: hearing: priority criteria</u>
- A. The regional planning agency shall issue an annual report on the status of the regional freeway system PROJECTS FUNDED PURSUANT TO SECTION 42-6104 and shall hold a public hearing in the county within thirty days after the report is issued. The report and the hearing shall address the following topics:
 - 1. The status of the regional freeway system PROJECTS.
 - 2. Proposed changes to the regional transportation plan.
- 3. Proposed changes in corridor and corridor segment priorities AND TO OTHER PROJECTS FUNDED PURSUANT TO SECTION 42-6104.
 - 4. Project financing and project options.
- 5. The criteria used to establish priorities as required by subsection B of this section.
- B. The regional planning agency shall develop criteria to establish the priority of corridors and corridor segments AND OTHER TRANSPORTATION PROJECTS, including:
 - 1. The extent of local public and private funding participation.
 - The social and community impact.
- 3. The establishment of a complete freeway TRANSPORTATION system for the region as rapidly as is practicable.
- 4. The construction of segments PROJECTS to serve regional transportation needs.
- 5. The construction of segments that provide connectivity with other elements of the regional freeway TRANSPORTATION system.
 - Other relevant criteria developed by the regional planning agency.

- 4 -

Sec. 6. Section 28-6356, Arizona Revised Statutes, is amended to read: 28-6356. <u>Citizens transportation oversight committee</u>

- A. A citizens transportation oversight committee is established in counties with a population of one million two hundred thousand or more persons and that have levied a transportation excise tax pursuant to section 42-6104.
- B. The citizens transportation oversight committee consists of the following members who are not elected officials of or employed by this state or any county, city or town in this state:
- 1. One member who serves as chairperson of the committee and who is appointed by the governor pursuant to section 38-211.
- 2. One member who represents each supervisorial district in the county and who is appointed by the board of supervisors. The board of supervisors shall consult with the mayors of each city and town located within each supervisorial district regarding appointments. At all times during the term, each member appointed pursuant to this paragraph shall legally reside in a different city or town located in the county. Members appointed pursuant to this paragraph shall have expertise in transportation systems or issues.
- 3. One member who resides in the county and who is appointed by the governor pursuant to section 38-211.
 - C. Members shall be appointed for terms of three years.
 - D. The chairperson shall also serve as:
- 1. A nonvoting member of the departmental committee established by section 28-6951 only for issues relating to the regional freeway system. The chairperson may appoint a designee to attend meetings of the departmental committee.
- 2. A voting member of the governing body of the regional planning agency in the county for all matters relating to the regional freeway system.
- E. The citizens transportation oversight committee shall meet at least once each calendar quarter.
 - F. The citizens transportation oversight committee shall:
- 1. Review and advise the board, the governor, the director, and the governing body of the regional planning agency AND THE BOARD OF DIRECTORS OF THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY on matters relating to the regional freeway system ALL PROJECTS FUNDED PURSUANT TO SECTION 42-6104.
- 2. Review and make recommendations regarding any proposed major revision of the regional transportation plan by the governing body of the regional planning agency. For the purposes of this paragraph, "major revision" means an addition or deletion of a corridor or corridor segment in the regional freeway system TRANSPORTATION PROJECT FUNDED PURSUANT TO SECTION 42-6104.
- 3. Annually review and comment on the criteria developed pursuant to section 28-6354, subsection B.

- 5 -

- 4. Hold public hearings and issue public reports as it deems appropriate.
- 5. Annually contract with an independent auditor who is a certified public accountant to conduct a financial compliance audit of all expenditures for FROM the regional freeway system AREA ROAD FUND AND THE PUBLIC TRANSPORTATION FUND and receive the auditor's report. The department shall reimburse the committee for the cost of this audit from the highway user revenue fund pursuant to section 28-6538, subsection 8, paragraph 1.
- 6. In consultation with the auditor general, set parameters for the performance audit prescribed in section 41-1279.03, subsection A, paragraph 6 in the county, review the results of the auditor general's performance audit and make recommendations to the regional planning agency, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY, the department, the speaker of the house of representatives, the president of the senate and the governor.
 - G. The committee may:
- 1. Receive written complaints from citizens regarding adverse impacts of freeway design ANY TRANSPORTATION PROJECT FUNDED PURSUANT TO SECTION 42-6104, determine which complaints warrant further review and make recommendations to the state transportation board regarding the complaints.
- 2. Receive written complaints from citizens relating to the regional planning agency's responsibilities as prescribed in this chapter, determine which complaints warrant further review and make recommendations to the regional planning agency regarding the complaints.
- 3. Make recommendations to the regional planning agency, THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY and the state transportation board regarding PROJECTS FUNDED PURSUANT TO SECTION 42-6104 IN THE REGIONAL TRANSPORTATION PLAN, THE TRANSPORTATION IMPROVEMENT PROGRAM, the DEPARTMENT'S five year construction program and the life cycle management program for the regional freeway system.
- H. Failure by the citizens transportation oversight committee to act does not bar the governing body of the regional planning agency OR THE BOARD OF DIRECTORS OF THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY from taking action.
- I. Members of the committee are not eligible to receive compensation or reimbursement for expenses.
 - Sec. 7. Section 48-5103, Arizona Revised Statutes, is amended to read: 48-5103. <u>Public transportation fund</u>
- A. A public transportation fund is established for the authority. The fund consists of:
- 1. Monies appropriated by each municipality that is a member of the authority or the county, if it elected to enter into the authority. Each member municipality and member county shall appropriate monies to the public transportation fund in an amount determined by the board.

- 6 -

- 2. Monies appropriated by a county that has not elected to enter into the authority in an amount determined by the county board of supervisors.
- 3. TRANSPORTATION EXCISE TAX REVENUES THAT ARE ALLOCATED TO THE FUND PURSUANT TO SECTION 42-6104.
 - 3. 4. Monies distributed under title 28, chapter 17, article 1.
 - 4. 5. Grants, gifts or donations from public or private sources.
- 5. 6. Monies granted by the federal government or appropriated by the legislature.
- 6.7. Fares or other revenues collected in operating a public transportation system.
- 7.8 8. Local transportation assistance monies that are distributed to each member under section 28-8102 and as provided in section 48-5104.
- $8.\,$ 9. Local transportation assistance monies that are distributed to a member pursuant to section 28-8102 and that must be used for public transportation.
- 9.7 10. Local transportation assistance monies that are distributed pursuant to section 28-8103, subsection A, paragraph 1.
- B. On behalf of the authority, the fiscal agent shall administer monies paid into the public transportation fund. Monies in the fund may be spent pursuant to or to implement the regional public transportation system plan adopted pursuant to section 48-5121 AND FOR PROJECTS IDENTIFIED IN THE REGIONAL TRANSPORTATION PLAN ADOPTED BY THE REGIONAL PLANNING AGENCY PURSUANT TO SECTION 28-6308.
- C. Monies in the fund shall not be spent to promote or advocate a position, alternative or outcome of an election, to influence public opinion or to pay or contract for consultants or advisors to influence public opinion with respect to an election regarding taxes or other sources of revenue for the fund or regarding the regional public transportation system plan.
- Sec. 8. Title 48, chapter 29, article 1, Arizona Revised Statutes, is amended by adding section 48-5106, to read:

48-5106. Budget process

THE BOARD SHALL ADOPT A BUDGET PROCESS THAT ENSURES THAT THE ESTIMATED COST OF THE REGIONAL PUBLIC TRANSPORTATION SYSTEM, INCLUDING CORRIDORS, CORRIDOR SEGMENTS AND BUS PURCHASE AND OPERATING COSTS, DOES NOT EXCEED THE TOTAL AMOUNT OF REVENUES ESTIMATED TO BE AVAILABLE FOR THE REGIONAL PUBLIC TRANSPORTATION SYSTEM.

Sec. 9. Regional transportation plan for extension of county transportation excise tax; counties with a population of one million two hundred thousand or more persons

A. Not later than November 30, 2003, the regional planning agency of a county having a population of one million two hundred thousand or more persons shall approve for an air quality conformity analysis and certify to the governor and the legislature a comprehensive, performance based, multimodal and coordinated regional area transportation plan for the county. The plan shall cover a term of twenty years. The plan must consider the

- 7 -

impacts of growth and the transportation system in contiguous counties, cities, towns and Indian communities. The plan must contain performance based criteria, other revenues derived from sources in the planning area and priorities for expenditures of revenues derived from a proposed extension of a transportation excise tax pursuant to title 42, chapter 6, article 3, Arizona Revised Statutes. The plan may also include design, right-of-way purchase or construction of transportation projects that are included in the regional transportation plan of the regional planning agency in the county. The plan shall not affect or reduce in any way the current funding of other projects in the department of transportation's five year transportation facilities construction program provided by title 28, chapter 20, article 3, Arizona Revised Statutes. The plan shall include an allocation of revenues over a twenty-year term, in constant dollars, between the county's regional area road fund pursuant to title 28, chapter 17, article 1, Arizona Revised Statutes, and the public transportation fund pursuant to section 48-5103, Arizona Revised Statutes.

- B. After the transportation plan is certified to the governor and the legislature:
- 1. The issue of levying a transportation excise tax in the county to fund the projects and other expenses of the plan must be presented to the voters in the county for approval in 2004.
- 2. The issue of levying a transportation excise tax in contiguous counties affected by the plan may be allowed by a majority vote of the board of supervisors in the contiguous county. The issue of levying a transportation excise tax must be presented to the voters of each affected county for approval.
- 3. The transportation plan is not subject to modification through December 31, 2005 unless the proposed modifications are submitted and reviewed by the regional public transportation authority in the county, the department of transportation, the county board of supervisors, Indian communities and cities and towns as prescribed in section 28-6308, Arizona Revised Statutes, as amended by this act.
- C. An election shall not be conducted pursuant to subsection B of this section under either of the following circumstances:
- 1. If a comprehensive, performance based, multimodal and coordinated regional transportation plan that is approved for an air quality conformity analysis is not certified to the governor and the legislature by the regional planning agency pursuant to subsection A of this section before December 1, 2003.
- 2. If the legislature fails to prescribe the terms and conditions for presenting the ballot question to the voters.

- 8 -

Sec. 10. Conditional enactment

3 4 5 A. Sections 1, 2 and 4 through 8 of this act are not effective unless on or before December 31, 2004 an extension of the term of the county transportation excise tax is approved by the qualified electors as provided by section 9 of this act.

6

B. The enactment of any provision of this act conditioned on the results of the election does not constitute a submission of those provisions to the voters under the power of the referendum.

APPROVED BY THE GOVERNOR MAY 14, 2003.

FINED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2003.

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Passed the House <u>February 24</u> , 2003	Passed the Senate April 15, 2003,
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by the following vote: 60 Ayes,	by the following vote: 27 Ayes,
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Horman & Moore,	Norma Chastain
Chief Clerk of the House	Secretary of the Senate
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H.B. 2292	
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	Secretary of State

HOUSE FINAL PASSAGE as per Joint Conference		SENATE FINAL PASSAGE as per Joint Conference		
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by the following vote:54	2 Ayes,	by the following vote	: 27 Ayes,	
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